



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2009
OF THE CONDITION AND AFFAIRS OF THE
Seaton Insurance Company

NAIC Group Code	1343	1343	NAIC Company Code	25763	Employer's ID Number	91-0341780
	(Current Period)	(Prior Period)				
Organized under the Laws of	Rhode Island			State of Domicile or Port of Entry		Rhode Island
Country of Domicile				United States		
Incorporated/Organized	04/01/1901			Commenced Business		04/01/1901
Statutory Home Office	200 Metro Center Blvd, Suite 8			Warwick, RI 02886		
	(Street and Number)			(City or Town, State and Zip Code)		
Main Administrative Office	200 Metro Center Blvd, Suite 8			Warwick, RI 02886		401-921-5234
	(Street and Number)			(City or Town, State and Zip Code)		(Area Code) (Telephone Number)
Mail Address	200 Metro Center Blvd, Suite 8			Warwick, RI 02886		
	(Street and Number or P.O. Box)			(City or Town, State and Zip Code)		
Primary Location of Books and Records	200 Metro Center Blvd, Suite 8			Warwick, RI 02886		401-921-5234-207
	(Street and Number)			(City or Town, State and Zip Code)		(Area Code) (Telephone Number)
Internet Website Address						
Statutory Statement Contact	Teresa M. Reali			401-921-5234-207		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	teresa.reali@enstargroup.us.com			401-921-5238		
	(E-mail Address)			(Fax Number)		

OFFICERS

Name	Title	Name	Title
Karl John Wall	President and COO	Robert Barry Carlson	Treasurer
Thomas John Balkan	Secretary		

OTHER OFFICERS

Joseph Patrick Follis	Vice President		
-----------------------	----------------	--	--

DIRECTORS OR TRUSTEES

Karl John Wall	Robert Barry Carlson	Seth Goldberg	Philip Raygorodetsky
David Browne #			

State ofRhode Island.....

County ofKent..... **SS**

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures Manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Karl John Wall President and COO	Robert Barry Carlson Treasurer	Thomas John Balkan Secretary
Subscribed and sworn to before me this 20 day of February, 2010		a. Is this an original filing? Yes [X] No [] b. If no, 1. State the amendment number 2. Date filed 3. Number of pages attached
Teresa M. Reali Notary Public April 11, 2010		02/28/2010

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Seaton Insurance Company

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	30,926,088		30,926,088	40,447,423
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	0		0	5,797
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$2,049,804 , Schedule E, Part 1), cash equivalents (\$0 , Schedule E, Part 2) and short-term investments (\$16,262,463 , Schedule DA).....	18,312,268		18,312,268	9,150,865
6. Contract loans, (including \$ premium notes)			0	0
7. Other invested assets (Schedule BA)	0		0	0
8. Receivables for securities			0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	49,238,356	0	49,238,356	49,604,085
11. Title plants less \$ charged off (for Title insurers only).....			0	0
12. Investment income due and accrued	338,410		338,410	419,851
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection			0	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premium).....			0	0
13.3 Accrued retrospective premium.....			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	23,660,392		23,660,392	26,747,719
14.2 Funds held by or deposited with reinsured companies	276,543		276,543	289,972
14.3 Other amounts receivable under reinsurance contracts			0	0
15. Amounts receivable relating to uninsured plans			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon			0	0
16.2 Net deferred tax asset.....	14,192,711	14,192,711	0	0
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software.....			0	0
19. Furniture and equipment, including health care delivery assets (\$)			0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates	290,000		290,000	0
22. Health care (\$) and other amounts receivable.....			0	0
23. Aggregate write-ins for other than invested assets	9,900,000	0	9,900,000	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	97,896,412	14,192,711	83,703,701	77,061,627
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
26. Total (Lines 24 and 25)	97,896,412	14,192,711	83,703,701	77,061,627
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0	0
2301. Misc Receivable.....	9,900,000		9,900,000	0
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	9,900,000	0	9,900,000	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	135,234,583	137,865,041
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	6,727,140	15,778,731
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	23,117,893	28,224,079
4. Commissions payable, contingent commissions and other similar charges		0
5. Other expenses (excluding taxes, licenses and fees)	115,000	967,168
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		0
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	622,676	464,691
7.2 Net deferred tax liability		0
8. Borrowed money \$ and interest thereon \$		0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ and including warranty reserves of \$)	0	0
10. Advance premium		0
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders		0
12. Ceded reinsurance premiums payable (net of ceding commissions)		0
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	132,382	158,198
14. Amounts withheld or retained by company for account of others		0
15. Remittances and items not allocated		0
16. Provision for reinsurance (Schedule F, Part 7)	8,541,590	9,433,689
17. Net adjustments in assets and liabilities due to foreign exchange rates	281,093	1,070,297
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates	778,298	0
20. Payable for securities		0
21. Liability for amounts held under uninsured plans		0
22. Capital notes \$ and interest thereon \$		0
23. Aggregate write-ins for liabilities	(97,860,520)	(120,229,008)
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	77,690,135	73,732,886
25. Protected cell liabilities		0
26. Total liabilities (Lines 24 and 25)	77,690,135	73,732,886
27. Aggregate write-ins for special surplus funds	97,860,518	157,999,999
28. Common capital stock	2,600,000	2,600,000
29. Preferred capital stock		0
30. Aggregate write-ins for other than special surplus funds	0	0
31. Surplus notes		0
32. Gross paid in and contributed surplus	52,400,000	52,400,000
33. Unassigned funds (surplus)	(146,846,954)	(209,671,255)
34. Less treasury stock, at cost:		
34.1 shares common (value included in Line 28 \$)		0
34.2 shares preferred (value included in Line 29 \$)		0
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 39)	6,013,564	3,328,744
36. Totals (Page 2, Line 26, Col. 3)	83,703,699	77,061,630
DETAILS OF WRITE-INS		
2301. Special Surplus from Retro Reinsurance	(97,860,520)	(122,187,197)
2302. Special Surplus from Retro Reinsurance		1,958,189
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	(97,860,520)	(120,229,008)
2701. Special Surplus from Retro Reinsurance	(1,000,000)	(1,000,000)
2702. Special Surplus from Retro Reinsurance	158,999,999	158,999,999
2703. Payments of Excess of Premium	(60,139,481)	0
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	97,860,518	157,999,999
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	0	0

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	4,674	(9,844)
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	(2,475,350)	15,034,677
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	5,482,879	5,874,044
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	1,133,297	2,280,659
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	4,140,825	23,189,380
7. Net income of protected cells	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(4,136,151)	(23,199,224)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	1,624,693	2,214,888
10. Net realized capital gains (losses) less capital gains tax of \$ (Exhibit of Capital Gains (Losses))	(11,558)	12,344
11. Net investment gain (loss) (Lines 9 + 10)	1,613,135	2,227,232
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)		0
13. Finance and service charges not included in premiums		0
14. Aggregate write-ins for miscellaneous income	(27,005)	6,777
15. Total other income (Lines 12 through 14)	(27,005)	6,777
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(2,550,021)	(20,965,216)
17. Dividends to policyholders		0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(2,550,021)	(20,965,216)
19. Federal and foreign income taxes incurred	(1,077,949)	356,191
20. Net income (Line 18 minus Line 19) (to Line 22)	(1,472,072)	(21,321,407)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	3,328,742	25,104,545
22. Net income (from Line 20)	(1,472,072)	(21,321,407)
23. Net transfers (to) from Protected Cell accounts		0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (155,922)	(155,922)	5,821
25. Change in net unrealized foreign exchange capital gain (loss)	789,204	(1,182,807)
26. Change in net deferred income tax	(992,472)	7,262,948
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Col. 3)	1,693,953	(7,964,429)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	892,098	1,424,071
29. Change in surplus notes		0
30. Surplus (contributed to) withdrawn from protected cells		0
31. Cumulative effect of changes in accounting principles		0
32. Capital changes:		
32.1. Paid in		0
32.2. Transferred from surplus (Stock Dividend)		0
32.3. Transferred to surplus		0
33. Surplus adjustments:		
33.1. Paid in		0
33.2. Transferred to capital (Stock Dividend)		0
33.3. Transferred from capital		0
34. Net remittances from or (to) Home Office		0
35. Dividends to stockholders		0
36. Change in treasury stock (Page 3, Lines 34.1 and 34.2, Column 2 minus Column 1)	0	0
37. Aggregate write-ins for gains and losses in surplus	1,930,030	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	2,684,819	(21,775,803)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35)	6,013,561	3,328,742
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0
1401. Misc Income or Expense.....	1,654	57,332
1402. Run - off Expense.....		(8,996)
1403. Retro Reinsurance.....		0
1498. Summary of remaining write-ins for Line 14 from overflow page	(28,659)	(41,559)
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	(27,005)	6,777
3701. Prior Period Adjustment-claim service fees	(701,481)	0
3702. Prior Period Adjustment - NICO treaty adj.....	2,631,511	0
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	1,930,030	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance.....	4,674	(9,844)
2. Net investment income.....	1,000,471	3,460,313
3. Miscellaneous income.....	(13,576)	54,560
4. Total (Lines 1 through 3).....	991,569	3,505,029
5. Benefit and loss related payments.....	6,119,372	38,609,666
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	12,574,529	9,766,799
8. Dividends paid to policyholders.....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	(1,235,934)	587,658
10. Total (Lines 5 through 9).....	17,457,967	48,964,122
11. Net cash from operations (Line 4 minus Line 10).....	(16,466,399)	(45,459,094)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	17,262,705	20,912,823
12.2 Stocks.....	4,519	0
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0
12.7 Miscellaneous proceeds.....	1	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	17,267,225	20,912,823
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	7,991,111	21,747,013
13.2 Stocks.....	0	0
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	0	0
13.6 Miscellaneous applications.....	1	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	7,991,112	21,747,013
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14).....	9,276,113	(834,190)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	0	0
16.6 Other cash provided (applied).....	16,351,685	41,275,055
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	16,351,685	41,275,055
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	9,161,399	(5,018,229)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	9,150,859	14,169,088
19.2 End of year (Line 18 plus Line 19.1).....	18,312,258	9,150,859

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Lines of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	0	0	0	0
2.	Allied lines	0	0	0	0
3.	Farmowners multiple peril	0	0	0	0
4.	Homeowners multiple peril	0	0	0	0
5.	Commercial multiple peril	0	0	0	0
6.	Mortgage guaranty	0	0	0	0
8.	Ocean marine	0	0	0	0
9.	Inland marine	0	0	0	0
10.	Financial guaranty	0	0	0	0
11.1	Medical professional liability - occurrence	0	0	0	0
11.2	Medical professional liability - claims-made	0	0	0	0
12.	Earthquake	0	0	0	0
13.	Group accident and health	0	0	0	0
14.	Credit accident and health (group and individual)	0	0	0	0
15.	Other accident and health	0	0	0	0
16.	Workers' compensation	0	0	0	0
17.1	Other liability - occurrence	0	0	0	0
17.2	Other liability - claims-made	0	0	0	0
17.3	Excess Workers' Compensation	0		0	0
18.1	Products liability - occurrence	0	0	0	0
18.2	Products liability - claims-made	0	0	0	0
19.1,19.2	Private passenger auto liability	0	0	0	0
19.3,19.4	Commercial auto liability	0	0	0	0
21.	Auto physical damage	0	0	0	0
22.	Aircraft (all perils)	0	0	0	0
23.	Fidelity	0	0	0	0
24.	Surety	0	0	0	0
26.	Burglary and theft	0	0	0	0
27.	Boiler and machinery	0	0	0	0
28.	Credit	0	0	0	0
29.	International	0	0	0	0
30.	Warranty	0	0	0	0
31.	Reinsurance - Nonproportional Assumed Property	0	0	0	0
32.	Reinsurance - Nonproportional Assumed Liability	4,674	0	0	4,674
33.	Reinsurance - Nonproportional Assumed Financial Lines	0	0	0	0
34.	Aggregate write-ins for other lines of business	0	0	0	0
35.	TOTALS	4,674	0	0	4,674
DETAILS OF WRITE-INS					
3401.	.....			
3402.	.....			
3403.	.....			
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire					0
2.	Allied lines					0
3.	Farmowners multiple peril					0
4.	Homeowners multiple peril					0
5.	Commercial multiple peril					0
6.	Mortgage guaranty					0
8.	Ocean marine					0
9.	Inland marine					0
10.	Financial guaranty					0
11.1	Medical professional liability - occurrence					0
11.2	Medical professional liability - claims-made					0
12.	Earthquake					0
13.	Group accident and health					0
14.	Credit accident and health (group and individual)					0
15.	Other accident and health					0
16.	Workers' compensation					0
17.1	Other liability - occurrence					0
17.2	Other liability - claims-made					0
17.3	Excess Workers' Compensation					0
18.1	Products liability - occurrence					0
18.2	Products liability - claims-made					0
19.1,19.2	Private passenger auto liability					0
19.3,19.4	Commercial auto liability					0
21.	Auto physical damage					0
22.	Aircraft (all perils)					0
23.	Fidelity					0
24.	Surety					0
26.	Burglary and theft					0
27.	Boiler and machinery					0
28.	Credit					0
29.	International					0
30.	Warranty.....					0
31.	Reinsurance - Nonproportional Assumed Property ..					0
32.	Reinsurance - Nonproportional Assumed Liability ..					0
33.	Reinsurance - Nonproportional Assumed Financial Lines					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0
35.	TOTALS	0	0	0	0	0
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Line 35 through 37)					0
DETAILS OF WRITE-INS						
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0

(a) State here basis of computation used in each case .

UNDERWRITING AND INVESTMENT EXHIBIT

Line of Business		1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
			2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1.	Fire0
2.	Allied lines0
3.	Farmowners multiple peril0
4.	Homeowners multiple peril0
5.	Commercial multiple peril0
6.	Mortgage guaranty0
8.	Ocean marine0
9.	Inland marine0
10.	Financial guaranty0
11.1	Medical professional liability - occurrence0
11.2	Medical professional liability - claims-made0
12.	Earthquake0
13.	Group accident and health0
14.	Credit accident and health (group and individual)0
15.	Other accident and health0
16.	Workers' compensation0
17.1	Other liability - occurrence0
17.2	Other liability - claims-made0
17.3	Excess Workers' Compensation0
18.1	Products liability - occurrence0
18.2	Products liability - claims-made0
19.1,19.2	Private passenger auto liability0
19.3,19.4	Commercial auto liability0
21.	Auto physical damage0
22.	Aircraft (all perils)0
23.	Fidelity0
24.	Surety0
26.	Burglary and theft0
27.	Boiler and machinery0
28.	Credit0
29.	International0
30.	Warranty0
31.	Reinsurance - Nonproportional Assumed Property	XXX					.0
32.	Reinsurance - Nonproportional Assumed Liability	XXX		4,674			4,674
33.	Reinsurance - Nonproportional Assumed Financial Lines	XXX					.0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0
35.	TOTALS	0	0	4,674	0	0	4,674
DETAILS OF WRITE-INS							
3401.						
3402.						
3403.						
3498.	Summary of remaining write- ins for Line 34 from overflow page	0	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0

8

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - LOSSES PAID AND INCURRED

	Line of Business	Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire				0	0	0	0	0.0
2.	Allied lines								0.0
3.	Farmowners multiple peril	(904)							0.0
4.	Homeowners multiple peril	(3,121)		(904)					0.0
5.	Commercial multiple peril	802,560		(3,121)					0.0
6.	Mortgage guaranty			802,560					0.0
8.	Ocean marine								0.0
9.	Inland marine								0.0
10.	Financial guaranty								0.0
11.1	Medical professional liability - occurrence								0.0
11.2	Medical professional liability - claims-made								0.0
12.	Earthquake								0.0
13.	Group accident and health								0.0
14.	Credit accident and health (group and individual)								0.0
15.	Other accident and health								0.0
16.	Workers' compensation								0.0
17.1	Other liability - occurrence	768,260		768,260					0.0
17.2	Other liability - claims-made	7,543,899		41,524,075	(33,980,176)	45,888,669	36,998,511	(25,090,019)	0.0
17.3	Excess Workers' Compensation								0.0
18.1	Products liability - occurrence	118,431		118,431					0.0
18.2	Products liability - claims-made								0.0
19.1, 19.2	Private passenger auto liability	24,883		24,883					0.0
19.3, 19.4	Commercial auto liability	(1,100)		(1,100)					0.0
21.	Auto physical damage	(1,454)		(1,454)					0.0
22.	Aircraft (all perils)								0.0
23.	Fidelity	(22)		(22)					0.0
24.	Surety								0.0
26.	Burglary and theft								0.0
27.	Boiler and machinery								0.0
28.	Credit								0.0
29.	International								0.0
30.	Warranty								0.0
31.	Reinsurance - Nonproportional Assumed Property	XXX	0	0					0.0
32.	Reinsurance - Nonproportional Assumed Liability	XXX	46,061,153	11,925,868	34,135,285	89,345,914	100,866,530	22,614,668	483,860.4
33.	Reinsurance - Nonproportional Assumed Financial Lines	XXX	0	0					0.0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0.0
35.	TOTALS	9,251,431	46,061,153	55,157,476	155,108	135,234,583	137,865,041	(2,475,350)	(52,962.3)
DETAILS OF WRITE-INS									
340.1.									
3402.									
3403.									
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	0.0
3499.	Totals (Lines 3401 through 3403 + 3498) (Line 34 above)	0	0	0	0	0	0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

	Reported Losses				Incurred But Not Reported			8	9
	1	2	3	4	5	6	7		
Line of Business	Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1. Fire				0				0	
2. Allied lines				0	14,874		14,874	0	
3. Farmowners multiple peril				0	735,592		735,592	0	
4. Homeowners multiple peril				0	156		156	0	
5. Commercial multiple peril	886,980		886,980	0	16,062,689		16,062,689	0	
6. Mortgage guaranty				0				0	
7. Ocean marine				0				0	
8. Inland marine				0				0	
9. Financial guaranty				0				0	
10. Medical professional liability - occurrence				0				0	
11.1 Medical professional liability - claims-made				0				0	
11.2				0				0	
12. Earthquake				0				0	
13. Group accident and health				0				(a)	
14. Credit accident and health (group and individual)				0				0	
15. Other accident and health				0				0	
16. Workers' compensation				0				(a)	
17.1	7,967,964		7,967,964	0	9		9	0	
17.2	77,878,493	442,101	35,141,125	43,179,469	17,142,411	1,015,786	15,448,997	45,888,669	9,816,878
17.3				0				0	
18.1	434,366		434,366	0	372,105		372,105	0	
18.2				0				0	
19.1	25,073		25,073	0	2,659		2,659	0	
19.2				0				0	
19.3				0				0	
19.4				0				0	
20. Commercial auto liability				0				0	
21. Auto physical damage				0				0	
22. Aircraft (all perils)				0				0	
23. Fidelity				0	21,886		21,886	0	
24. Surety				0	872		872	0	
25. Burglary and theft				0	32,923		32,923	0	
26. Boiler and machinery				0				0	
27. Credit				0				0	
28. International				0				0	
29. Warranty				0				0	
30.				0				0	
31. Reinsurance - Nonproportional Assumed Property	XXX			0	XXX			0	
32. Reinsurance - Nonproportional Assumed Liability	XXX	42,450,382	8,316,030	34,134,352	XXX	74,205,512	18,993,950	89,345,914	13,301,015
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX			0	XXX			0	
34. Aggregate write-ins for other lines of business	0	0	0	0		0	0	0	0
35. TOTALS	87,192,876	42,892,483	52,771,538	77,313,821	34,386,176	75,221,298	51,686,713	135,234,583	23,117,893
DETAILS OF WRITE-INS									
3401.									
3402.									
3403.									
3498.	0	0	0	0	0	0	0	0	0
3499.	0	0	0	0	0	0	0	0	0

(a) Including \$ for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	3,373,986			3,373,986
1.2 Reinsurance assumed	(39,089)			(39,089)
1.3 Reinsurance ceded	(1,772,896)			(1,772,896)
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	5,107,793	0	0	5,107,793
2. Commission and brokerage:				
2.1 Direct, excluding contingent				0
2.2 Reinsurance assumed, excluding contingent				0
2.3 Reinsurance ceded, excluding contingent				0
2.4 Contingent-direct				0
2.5 Contingent-reinsurance assumed				0
2.6 Contingent-reinsurance ceded				0
2.7 Policy and membership fees				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	0	0	0
3. Allowances to manager and agents				0
4. Advertising				0
5. Boards, bureaus and associations				0
6. Surveys and underwriting reports				0
7. Audit of assureds' records				0
8. Salary and related items:				
8.1 Salaries				0
8.2 Payroll taxes				0
9. Employee relations and welfare				0
10. Insurance		61,190		61,190
11. Directors' fees				0
12. Travel and travel items		981		981
13. Rent and rent items				0
14. Equipment				0
15. Cost or depreciation of EDP equipment and software				0
16. Printing and stationery				0
17. Postage, telephone and telegraph, exchange and express				0
18. Legal and auditing	285,031	392,653		677,684
19. Totals (Lines 3 to 18)	285,031	454,825	0	739,855
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$	1,005	670		1,675
20.2 Insurance department licenses and fees	89,050	59,366		148,416
20.3 Gross guaranty association assessments				0
20.4 All other (excluding federal and foreign income and real estate)				0
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	90,055	60,036	0	150,091
21. Real estate expenses				0
22. Real estate taxes				0
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	0	618,436	0	618,436
25. Total expenses incurred	5,482,879	1,133,297	0	(a) 6,616,175
26. Less unpaid expenses - current year	23,117,893	115,000		23,232,893
27. Add unpaid expenses - prior year	28,224,079	967,168	0	29,191,247
28. Amounts receivable relating to uninsured plans, prior year	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	10,589,064	1,985,465	0	12,574,529
DETAILS OF WRITE-INS				
2401. Run-Off Expense.....		608,000		608,000
2402. Consulting fees.....		8,723		8,723
2403. Misc Expense.....		1,713		1,713
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	0	618,436	0	618,436

(a) Includes management fees of \$ 1,520,000 to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) .....606,238	.....443,639
1.1	Bonds exempt from U.S. tax	(a) .....	.....
1.2	Other bonds (unaffiliated)	(a) .....1,155,564	.....1,259,810
1.3	Bonds of affiliates	(a) .....0	.....
2.1	Preferred stocks (unaffiliated)	(b) .....0	.....
2.11	Preferred stocks of affiliates	(b) .....0	.....
2.2	Common stocks (unaffiliated) .....	.....0	.....
2.21	Common stocks of affiliates .....	.....0	.....
3.	Mortgage loans	(c) .....	.....
4.	Real estate	(d) .....	.....
5.	Contract loans.....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e) .....44,783	.....21,692
7.	Derivative instruments	(f) .....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income	1,806,585	.....1,725,141
11.	Investment expenses		(g) .....125,350
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h) .....(24,902)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....100,448
17.	Net investment income (Line 10 minus Line 16)		1,624,693
DETAILS OF WRITE-INS			
0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	0	0
1501.	.....	
1502.	.....	
1503.	.....	
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)		0

(a) Includes \$16,089 accrual of discount less \$99,630 amortization of premium and less \$40,127 paid for accrued interest on purchases.
(b) Includes \$ amortization of premium and less \$0 paid for accrued dividends on purchases.
(c) Includes \$0 accrual of discount less \$0 amortization of premium and less \$paid for accrued interest on purchases.
(d) Includes \$for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
(e) Includes \$50 accrual of discount less \$ amortization of premium and less \$paid for accrued interest on purchases.
(f) Includes \$accrual of discount less \$ amortization of premium.
(g) Includes \$investment expenses and \$investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$interest on surplus notes and \$ interest on capital notes.
(i) Includes \$depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5.
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	.....129,083	.....	.....129,083	.....	.....
1.1	Bonds exempt from U.S. tax .....	.....	.....	.....0	.....	.....
1.2	Other bonds (unaffiliated) .....	.....(145,161)	.....	.....(145,161)	.....(150,124)	.....
1.3	Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....	.....4,519	.....0	.....4,519	.....(5,797)	.....0
2.21	Common stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
3.	Mortgage loans .....	.....0	.....0	.....0	.....0	.....0
4.	Real estate .....	.....0	.....0	.....0	.....0	.....0
5.	Contract loans .....	.....	.....	.....0	.....	.....
6.	Cash, cash equivalents and short-term investments .....	.....0	.....0	.....0	.....0	.....0
7.	Derivative instruments .....	.....	.....	.....0	.....	.....
8.	Other invested assets .....	.....0	.....0	.....0	.....0	.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses) .....	.....(11,558)	.....0	.....(11,558)	.....(155,921)	.....0
DETAILS OF WRITE-INS						
0901.	.....				
0902.	.....				
0903.	.....				
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule-E Part 1), cash equivalents (Schedule-E Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Other invested assets (Schedule BA)	0	0	0
8. Receivables for securities	0	0	0
9. Aggregate write-ins for invested assets	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	0	0	0
11. Title plants (for Title insurers only).....	0	0	0
12. Investment income due and accrued	0	0	0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	0	0	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
13.3 Accrued retrospective premiums.....	0	0	0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers	0	0	0
14.2 Funds held by or deposited with reinsured companies	0	0	0
14.3 Other amounts receivable under reinsurance contracts	0	0	0
15. Amounts receivable relating to uninsured plans	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
16.2 Net deferred tax asset.....	14,192,711	15,185,183	992,472
17. Guaranty funds receivable or on deposit	0	0	0
18. Electronic data processing equipment and software.....	0	0	0
19. Furniture and equipment, including health care delivery assets.....	0	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
21. Receivables from parent, subsidiaries and affiliates	0	0	0
22. Health care and other amounts receivable.....	0	0	0
23. Aggregate write-ins for other than invested assets	0	701,481	701,481
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	14,192,711	15,886,664	1,693,953
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
26. Total (Lines 24 and 25)	14,192,711	15,886,664	1,693,953
DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0
2301. Misc Receivable.....	0	701,481	701,481
2302.			
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	0	701,481	701,481

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

- A. The accompanying financial statements of the Company have been prepared in conformity with accounting practice prescribed or permitted by the NAIC *Accounting Practices and Procedures* manual and the State of Rhode Island.
- B. The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.
- C. The Company uses the following accounting policies:
 - 1. Short-term investments are stated at cost.
 - 2. Bonds, including issuer obligations, mortgage-backed securities and asset-backed securities rated 1 and 2 are stated at amortized cost using the interest method; all others are stated at the lower of amortized cost or market.
 - 3. Common Stocks, other than investments in stocks of subsidiaries and affiliates, are reported at fair market values as determined by the Securities Valuation of the NAIC.
 - 4. Preferred Stocks – High quality redeemable preferred stocks (NAIC designations 1 and 2), which have characteristics of debt securities, shall be valued at cost or amortized costs. All other redeemable preferred stocks (NAIC designations 3 – 6 shall be reported at the lower of cost, amortized cost or fair value.
 - 5. Mortgage Loans – Not Applicable
 - 6. Loan-Backed Securities are stated at either amortized cost or the lower of amortized cost or fair market value. The prospective adjustment method is used to value all securities.
 - 7. Investments in subsidiaries, controlled and affiliated companies – Not Applicable
 - 8. Investments in joint ventures, partnerships and limited liability companies – Not Applicable
 - 9. Derivatives – Not Applicable
 - 10. Premium Deficiency – Not Applicable
 - 11. Loss/Claim Adjustment Expenses – Asbestos, Environmental and Other Latent Injury Type Claims
 - Direct Losses – An exposure analysis on an account by account basis is performed and the appropriate reserves are established whether it be case reserves or a bulk IBNR reserve. IBNR reserves are established for the unknown or unreported cases, adverse development on known cases and allocated adjustment expenses.
 - Assumed Losses – An exposure analysis on a treaty by treaty is performed and the appropriate case reserves are established. A more detailed category review assists in the development of the IBNR reserves.
 - 12. Capitalization Policy – Not Applicable.
 - 13. Pharmaceutical Rebate Receivables – Not Applicable

2. Accounting Changes and Corrections of Errors

- A. The Company recorded a prior period adjustment in the amount of \$701,481. This adjustment was to record additional incurred expenses for Resolute Management Inc. for claim servicing fees from April 2006 through December 2008. This transaction was recorded as a prior period adjustment and a direct charge to Surplus.

The Company recorded a prior period adjustment in the amount of \$2,631,511. This was to record an adjustment to the NICO Retroactive Reinsurance Treaty for a true-up of prior years entries.

3. Business Combinations and Goodwill (A-C)

Not Applicable

4. Discontinued Operations

Not Applicable

5. Investments (A-G)

- A. Mortgage Loans, including Mezzanine Real Estate Loans
 - The Company had no investments in mortgage loans or mezzanine real estate loans.
- B. Debt Restructuring
 - The Company had no restructured debt invested assets.
- C. Reserve Mortgages
- D. Loan Backed Securities
 - (2) Mortgage backed securities are valued using anticipated prepayment assumptions as of the date of purchase. These assumptions continue to be reasonable in the current interest rate and economic environment. The prospective adjustment method is used to value structured securities. Fair values of mortgage backed securities are estimated using values obtained from independent pricing services or are based on expected future cash flows discounted using a current market rate applicable to the yield, credit quality and maturity of the investments.
 - (3) The Company has not recognized any other-than-temporary impairments on its mortgage backed securities.
 - (4) The Company has no impaired mortgage backed securities in which fair value is less than cost for which an other-than-temporary impairment has not been recognized.
 - (5) The Company reviews its investment portfolio for factors that may indicate that a decline in fair value of an investment is other than temporary. The Company evaluates the prospects of the issuers, including, but not limited to, the length of time and magnitude of the unrealized loss, the credit ratings of the issuers of the investments in the above securities and the options of investment managers as well as considering the Company's intentions to sell or ability to hold investments.
- E. Repurchase Agreements and/or Securities Lending Transactions
 - The Company has no repurchase agreements as December 31, 2009.
- F. Real Estate
 - Not applicable
- G. Low-Income Housing Tax Credits
 - Not applicable

6. Joint Ventures, Partnerships and Limited Liabilities Companies (A-B)

Not Applicable

7. Investment Income

NOTES TO FINANCIAL STATEMENTS

- A. Accrued Investment Income
The Company nonadmits investment income due and accrued if amounts are over 90 days past due (180 days for mortgage loans or amounts on mortgage loans in default).
- B. Amounts Non-Admitted
Not Applicable

8. Derivative Instruments (A-F)
Not Applicable

9. Income Taxes

A. Components of the Admitted Net Deferred Tax Asset:

	As of 12/31/09	As of 12/31/08
Total gross deferred tax assets	\$ 17,215,818	\$ 19,401,806
Total deferred tax liabilities	(3,023,108)	(4,216,623)
Net deferred tax asset	14,192,711	15,185,183
Non-admitted deferred tax asset	14,192,711	15,185,183
Admitted net deferred tax asset	0	0
Increase(decrease) in net gross deferred tax asset	(992,472)	7,262,947
Increase (decrease) in non-admitted gross deferred tax assets	(992,472)	7,262,947

B. Not applicable

C. Significant Components of Income Taxes Incurred and Changes in Deferred Taxes

	As of 12/31/09	As of 12/31/08
Current year estimated federal income tax liability - Intercompany	\$ (924,707)	\$ 356,191
Total current federal income tax expense	\$ (924,707)	\$ 356,191

Deferred Taxes: Gross Deferred Tax Assets and Liabilities

	As of 12/31/09	As of 12/31/08
Loss Reserve discount	\$ 4,869,040	\$ 5,825,010
Net Operating Loss carryforward	12,251,206	\$ 13,212,905
Foreign exchange	95,572	363,901
Book/Tax Basis - Stock		(10)
Total gross deferred tax assets	\$ 17,215,818	\$ 19,401,806
Retroactive reinsurance recoverable	(3,014,326)	(4,216,623)
Marketable securities	(8,782)	0
Total gross deferred tax liabilities	(3,023,108)	(4,216,623)
Net deferred tax asset	\$ 14,192,711	\$ 15,185,183

D. Reconciliation of Expected to Actual Current Federal Income Tax Expense

	As of 12/31/09	As of 12/31/08
Tax Expense - Current		
Statutory Income - pre-tax	\$ (2,550,020)	\$ (21,503,359)
Loss reserve discount	(2,811,676)	(5,631,541)
Market discount	(17,999)	(23,308)
Retroactive reinsurance recoverable	3,536,168	6,439,687
Prior Period Adjustments	1,930,030	
Market discount - reversed on sales	22,297	11,773
Net operating loss carryforward	(108,800)	0
Net taxable (loss)	\$ (0)	\$ (20,706,748)
Current tax benefit - due from Stonewall Ins Co	(1,077,949)	-
Current income tax expense	(1,077,949)	-

E. The Company incurred net operating losses of \$1,854,450, \$13,342,029, \$4,892,932 and \$20,706,747 for the years ended December 31, 2004, 2005, 2007, 008 respectively. The NOL's offset 2006 and 2009 taxable income totaling \$3,289,252. An additional \$2,741,194 offset is attributed to Stonewall Insurance Company under a tax sharing agreement. The remaining NOL totaling \$34,765,711 is available to offset taxable income through December 31, 2028.

- F. Consolidated Federal Income Tax Return Filing and Income Tax Allocation Agreement:
a. A Federal Tax Sharing Agreement, effective for tax years beginning on or after the first day of January 1, 2005 was entered into by Stonewall Insurance Company, Stonewall Acquisition Corporation and Seaton Insurance Company.

NOTES TO FINANCIAL STATEMENTS

b. The tax liability on the consolidated federal income tax return by each member under this Agreement shall be based on the separate tax return liability of each member for the applicable year. To the extent the sum of the separate tax returns liabilities of all members exceeds or is less than the consolidated tax liability, such difference shall be allocated to each member to the extent that such members' items or attributes are reflected in the group tax liability.

10. Information Concerning Parent, Subsidiaries and Affiliates

- A. Nature of Relationships
On June 13, 2008 Virginia Holdings Ltd acquired 44.4% of Stonewall Acquisition Corp., the parent of Seaton Insurance Company. Virginia Holdings Ltd is ultimately owned by Enstar Group Ltd
Enstar (US) Inc., also a subsidiary of Enstar Group Ltd, has been the Run-off Administrator for Seaton Insurance Company since January 2006. The terms of the agreement between Enstar (US) and Seaton Insurance Company are contained in a written agreement between parties
- B. Detail of Transactions Greater than ½% of Admitted Assets
Pursuant to the management agreement with Enstar (US) Inc., the Company incurred \$1,520,000 in fees and miscellaneous expense.
- C. Change in terms of Intercompany Arrangements
Not Applicable
- D. Amounts Due to or from Related Parties
\$290,000 is due from Enstar (US) Inc for reimbursement of claim servicing fees. \$778,298 is due to Enstar (US) Inc. for 2009 management fees.
- E. Guarantees or Contingencies for related parties
Not Applicable
- F. Related Parties Management Agreement
The Company has a management agreement with Enstar (US) Inc. On June 13, 2008, Virginia Holdings Ltd. Acquired 44.4% of Stonewall Acquisition Corp, the parent of the Company. Enstar (US) Inc and Virginia Holdings are both ultimately owned by Enstar Group Ltd.
The management agreement between the Company and Enstar (US) Inc. provides certain run-off services for a fixed quarterly fee plus various expenses. This agreement has been in place since January 2006.
- G. Nature of Relationships that Could Affect Operations
All outstanding shares of the Company are owned by the Parent
- H. Amount Deducted for Investment in Upstream Company
The Company owns no shares of an upstream intermediate or ultimate parent, either directly or indirectly.
- I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets
The Company holds no investments in its Parent or affiliates.
- J. Write down for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies
The Company holds no investments in its Parent or affiliates.
- K. Foreign Subsidiary Valued Using CARVM
Not applicable
- L. Downstream Holding Company Valued Using Look-Through Method
Not applicable

11. Debt

The Company has no capital notes outstanding. The Company has no other debt outstanding.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans (A-F)

- A. Defined Benefit Plan
The Company had no Defined benefit plan.
- B. Defined Contribution Plan
The Company had no Defined Contribution Plan
- C. Multiemployer Plans
The Company does not participate in a multiemployer plan.
- D. Consolidated / Holding Company Plans
The Company does not participate in a consolidated/holding company plan.
- E. Postemployment Benefits and Compensated Absences
The Company has no employees and had no obligation for postemployment benefits or compensated absences.
- F. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)
The Company had no postretirement benefitsNot Applicable

13. Capital and Surplus, Dividend Restrictions and Quasi- Reorganizations

- A. Outstanding Shares
The Company does not have any preferred stock authorized or issued. The Company has one hundred thousand (100,000) share of twenty dollars (\$26) par value common stock and one hundred thousand (100,000) shares issued and outstanding.
- B. Dividend Rate of Preferred Stock
The Company has no preferred stock issued or outstanding.
- C, D & E – Dividend Restrictions
Dividends on common stock are paid as declared by the Board of Directors. Under the insurance regulations of Rhode Island, the maximum amount of dividends that the Company may pay to the shareholders in a twelve month period is limited to the lesser of the 10% of the most recent year-end policyholders' surplus or the net income for that same year-end
- F. Mutual Surplus Advances
Not Applicable
- G. Company Stock Held for Special Purposes
Not Applicable
- H. Changes in Special Surplus Funds
Changes in balances of special surplus funds from the prior year are due to the changes in the Retroactive Reinsurance that is disclosed as a separate write-in. Refer to Note #22(F)
- I. Changes in Unassigned Funds
The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is (\$155,922).

J. Surplus Notes

NOTES TO FINANCIAL STATEMENTS

Not Applicable
L. & M. Quasi Reorganizations
Not Applicable

14. Contingencies

- A. Contingent Commitments
Not Applicable
- B. Assessments
Not Applicable
- C. Gain Contingencies
Not Applicable
- D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits
In the 2009 reporting period, the company did not settle any claims that included extra contractual obligation or bad faith claims stemming from lawsuits.
- E. All Other Contingencies
Lawsuits arise against the Company in the normal course of business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

15. Leases (A-B)

- A. Lessee Operating Lease
The Company does not have any material lease obligations at this time.
- B. Lessor Leases
The Company had not entered into any leasing arrangement where the company is the lessor.

16. Information About Financial Instruments With Off- Balance Sheet Risk and Financial Instruments With Concentration of Credit Risk (A-D)

Not Applicable

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. Transfers of Receivables Reported as Sales
The Company did not have any transfers of receivables reported as sales
- B. Transfer and Servicing of Financial Assets
The Company had no transfer or servicing of financial assets.
- C. Wash Sales
The Company did not have any wash sales.

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans (A-C)

- A. Administrative Services Only (ASO) Plans
Not applicable
- B. Administrative Services Contract (ASC) Plans
Not applicable
- C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract
Not applicable

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

The Company had no direct premiums written by third party administrators or managing general agents.

20. Other Items

- A. Extraordinary items
Not Applicable
- B. Troubled Debt Restructuring
Not Applicable
- C. Other Disclosures
Not Applicable
- D. Uncollectible Premium Receivable
Not Applicable
- E. Business Interruption Insurance Recoveries
Not Applicable
- F. State Transferable Tax Credits
Not Applicable
- G. Subprime Mortgage Related Risk Exposure
 - (1) The Company believes it has minimal exposure to subprime mortgage related risk. The Company holds no mortgage-backed securities other than securities issued by government-sponsored entities ("GSEs") organized or chartered by the U.S. government. None of the Company's holdings of mortgage-backed securities were issued by private entities.

The Company believes it has minimal exposure to unrealized losses due to changes in asset values, and realized losses from receiving less than anticipated cash flows, due to only holding mortgage-backed securities of high quality issued by GSEs.
 - (2) The Company has no direct exposure to subprime mortgage related risk through investments in subprime mortgage loans.
 - (3) The Company has no direct exposure to subprime mortgage related risk through other investments.
 - (4) The Company does not provide mortgage guaranty or financial guaranty insurance coverage. Therefore, it has no exposure to subprime mortgage related risk through the provision of such insurance.

21. Events Subsequent

The Company and NICO have negotiated terms that will result in the commutation of the retroactive reinsurance treaty described below in note 22 F. The terms of the commutation are under review and subject to the approval of the Rhode Island Department of Business Regulation.

NOTES TO FINANCIAL STATEMENTS

22. Reinsurance
A. Unsecured Reinsurance Recoverables
Non-affiliated unsecured aggregate recoverables as shown in Schedule F, Part 3 for paid and unpaid losses, including IBNR, unpaid adjustment expenses, and unearned premiums that exceed 3% of the Company’s policyholders surplus are as follows (000 omitted):

NAIC Code	Federal Id	Company	<u>Amount (000 Omitted)</u>
25909	13-5460208	General Security Property and Casualty Company	205
00000	AA-1122001	BRITISH NAT'L L	258
23396	38-0829210	AMERISURE MUTUAL INSURANCE COMPANY	259
21482	05-0316605	Allendale Mutual	294
36285	13-2959091	UNITED AMERICAS	303
11967	13-1958482	General Star National/Agency Managers	321
33014	75-0784127	Transport Insurance Company	321
22314	16-0366830	Underwriters Reinsurance Company	324
00000	AA-2230425	INSTITUTO DE RESSEGUROS	342
22667	95-2371728	Ace American	414
10111	59-0593886	American Bankers Insurance Company	437
10219	23-1641984	QBE Reinsurance /Am Royal	449
22039	13-2673100	General Reinsurance Corp	588
31089	86-0274508	REPUBLIC WESTERN	611
00000	AA-1580085	MITSUI F&M INS	635
00000	AA-1580065	NISSAN FIRE & MARINE	674
00000	AA-1120330	CHIYODA FIRE & MARINE LTD.	751
00000	AA-1120355	CNA RE OF LONDON LTD.	863
21970	23-1502700	One Beacon	907
35289	13-5010440	CONTINENTAL INS CO.	975
00000	AA-1120580	EXCESS INS CO LTD	1,033
22047	13-2930109	North Star Reinsurance Corporation	1,076
34835	13-1988169	National Reinsurance	1,208
22713	23-0723970	Insurance Company Of North America	1,325
19720	52-2048110	American Alternative Insurance Corp	1,496
20281	13-1963496	Federal Insurance Company	1,572
00000	AA-1121480	UNION AMERICA INS	2,370
26921	22-2005057	Everest Reinsurance Company	2,627
13331	41-0299900	American Hardware/Cal Re	4,501
25364	13-1675535	Swiss Re	4,728
00000	AA-1122000	LLOYDS	5,142
23680	47-0698507	Odyssey Re	6,109
11266	13-6107326	Gerling Global Reinsurance Corporation	6,273
26220	94-1590201	Yosemite	10,194
20583	13-1290712	XL Re	12,141
27189	95-2769926	Associated International Ins Co	12,681
25747	91-6027360	Unigard Insurance Company	43,551
			<u>127,958</u>

NOTES TO FINANCIAL STATEMENTS

B. Reinsurance Recoverable in Dispute
Reinsurers that exceeds 5% of surplus are identified below.

Name of the Reinsurer	Total amount in Dispute (000 Omitted)	Statues of Dispute
Yosemite	533	Various - In Arbitration/Litigation
Associated International Ins Co	581	Various - In Arbitration/Litigation
Odyssey Re	636	Various - In Arbitration/Litigation
Everest Reinsurance Company	648	Various - In Arbitration/Litigation
LLOYDS	746	Various - In Arbitration/Litigation
National Reinsurance	1,208	GAP
American Hardware/Cal Re	1,338	Various - In Arbitration/Litigation

The Company's disputed items in the aggregate exceed 10% of surplus.

Name of the Reinsurer	Total amount in Dispute (000 Omitted)	Statues of Dispute
One Beacon	20	Coverage
QBE Reinsurance /Am Royal	281	Various - In Arbitration/Litigation
Yosemite	533	Various - In Arbitration/Litigation
Associated International Ins Co	581	Various - In Arbitration/Litigation
Odyssey Re	636	Various - In Arbitration/Litigation
Everest Reinsurance Company	648	Various - In Arbitration/Litigation
LLOYDS	746	Various - In Arbitration/Litigation
National Reinsurance	1,208	GAP
American Hardware/Cal Re	1,338	Various - In Arbitration/Litigation

C. Reinsurance Assumed and Ceded
There is no amount of return commission due reinsurers if the agreements were cancelled as of December 31, 2009. The Company had no additional or return commissions predicated on loss experience or any other form of profit sharing arrangements included in this annual statement as a result of existing contractual arrangements. All contracts of reinsurance covering losses that have occurred prior to the inception of the contract (i.e. retroactive reinsurance) have been accounted for in conformity with NAIC guidelines.

D. Uncollectible Reinsurance
The company has written off certain Reinsurance Recoverables on loss and loss adjustment expense payments in the amount of \$471,762 which is reflected as:

a. Losses Incurred	\$ 474,545
b. Loss Adjustment Expenses Incurred	\$ (2,784)
c. Premiums Earned	\$ 0.00
d. Other	\$ 0.00

Name of Reinsurer	Amount written Off (000 Omitted)
Interstate Fire Insurance Company	(5)
North American Reinsurance	2
Prudential Property & Casualty Company	8
Northwestern National Ins. Co.	18
WALTON INS CO	74
NORTH ATLANTIC INS LTD (UK)	374
Total	471

E. Commutation of Ceded Reinsurance
The Company commuted ceded reinsurance treaties with eleven reinsurers.
The ceded amounts cleared by the Company due to these commutations are as follows:

NOTES TO FINANCIAL STATEMENTS

	<u>ceded reserves</u>	<u>ceded recoverables</u>
Allstate Insurance Company	11,173,811	5,349,564
Argonaut Insurance Co.	837,246	384,661
Constitution Re	1,173	74
Employers Ins of Wausau, a Mutual Co.	1,023,235	1,600,648
Employer's Mutual Of Wisconsin	510,370	202,190
Fremont Indemnity Company	1,185,097	1,501,794
Gerling Global	5,423,217	503,495
Midland Insurance Co.	1,066,423	11,689,490
National Casualty	69,141	144,908
Nationwide Mutual	1,032,795	643,541
Universal Reinsurance	332,557	829,773

F. Retroactive Reinsurance

The Company purchased an aggregate retrocessional agreement effective in 1999 which provides reinsurance for the Company’s run-off business

	<u>Assumed</u>	<u>Ceded</u>
1. Reserve Transferred		
1. Initial Reserves		159,651,945
2. Adjustments - Prior Year(s)	NONE	190,348,055
3. Adjustments - Current Year		
4. Current Total		350,000,000
2. Consideration Paid or Received		
1. Initial Consideration		191,200,000
2. Adjustments - Prior Year(s)		800,000
3. Adjustments - Current Year	NONE	-
4. Current Total		192,000,000
3. Paid Losses Reimbursed or Recovered		
1. Prior Years(s)		227,139,481
2. Current Year	NONE	25,000,000
3. Current Total		252,139,481
4. Special Surplus from Retroactive Reinsurance		
1. Initial Surplus Gain/(Loss)		(31,548,055)
2. Adjustments - Prior Year(s)		189,548,055
3. Adjustments - Current Year	NONE	(60,139,482)
4. Current Year Restricted Surplus		97,860,518
5. Cumulative Total Transferred to Unassigned Funds		60,139,482
5. Cedants and Reinsurers Involved in Transaction included in Section F, Above		

<u>Company</u>	<u>Assumed</u> <u>Amount</u>	<u>Company</u>	<u>Ceded</u> <u>Amount</u>
None		NAIC 20087, National Indemnity Company	350,000,000

6. List Total Paid Loss/LAE amounts recoverable and amounts more than 90 days overdue and collateral held as respects amounts recoverable from unauthorized reinsurers:

Authorized Reinsurers

NONE

Unauthorized Reinsurers

NONE

G. Reinsurance Accounted for as a Deposit
Not Applicable

23. Retrospectively Rated Contracts (A-D)
Not Applicable

24. Changes in Incurred Losses and Loss Adjustment Expenses

Due to the run-off status of the Company, all incurred changes are attributable to insured events of the prior years. Net reserves (prior to retroactive reinsurance) for incurred losses and allocated loss adjustment expenses attributable to insured events of prior years has decreased by \$6,411,784 from \$155,018,368 in 2008 to \$148,606,585 in 2009 as a result of settlements and reserve re-estimation of unpaid losses and loss adjustment expenses on “Other Liability” and “Product Liability” lines of business. This long tail business is primarily related to Asbestos, Environment, Mass Tort and some Assumed business. The company has reinsurance for all loss activity excluding ULAE either

NOTES TO FINANCIAL STATEMENTS

through standard reinsurance programs and Quota Share treaties. In addition to this coverage, retroactive reinsurance coverage was placed in 1999 for \$350 million in coverage however at year end 2007 the company exhausted the cover.

25. Intercompany Pooling Arrangements (A-F)
Not Applicable
26. Structured Settlements
Not Applicable
27. Health Care Receivables (A-B)
Not Applicable
28. Participating Accident and Health Policies
Not Applicable
29. Premium Deficiency Reserves
Not Applicable
30. High Deductibles
Not Applicable
31. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses
Not Applicable
32. Asbestos/Environmental Reserves
Yes, the Company has exposure to both asbestos and environmental claims

Asbestos:

Direct

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Beginning Reserves	\$ 91,494,000	\$ 120,016,000	\$ 86,141,958	\$ 97,331,923	\$ 96,189,764
Incurred Loss and LAE	36,578,000	17,355,459	17,336,225	4,175,697	(23,116,633)
Calendar Year Pymnts for Loss and LAE	8,056,000	51,229,501	6,146,260	5,317,856	3,220,307
Ending Reserves	\$ 120,016,000	\$ 86,141,958	\$ 97,331,923	\$ 96,189,764	\$ 69,852,824

The 2009 ending reserves above include a gross bulk reserve of \$4,559,520. The bulk reserve is a contingency for adverse development on known cases, unreported cases and allocated loss adjustment expense including coverage dispute. The bulk reserve are derived by independent actuarial studies.

Assumed

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Beginning Reserves	\$ 88,512,000	\$ 97,043,000	\$ 80,930,703	\$ 71,489,888	\$ 72,191,061
Incurred Loss and LAE	17,501,000	(7,264,675)	3,482,137	13,001,550	23,229,791
Calendar Year Pymnts for Loss and LAE	8,970,000	8,847,622	12,922,952	12,300,377	32,407,546
Ending Reserves	\$ 97,043,000	\$ 80,930,703	\$ 71,489,888	\$ 72,191,061	\$ 63,013,306

The 2009 ending reserves above include a gross bulk reserve of \$37,151,000. The bulk reserve is a contingency for adverse development on known cases, unreported cases and allocated loss adjustment expense including coverage dispute. The bulk reserve are derived by independent actuarial studies.

Net of Reinsurance

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Beginning Reserves	\$ 94,637,000	\$ 101,716,000	\$ 78,058,506	\$ 67,667,915	\$ 73,279,855
Incurred Loss and LAE	16,488,000	2,042,820	946,656	14,207,608	22,011,736
Calendar Year Pymnts for Loss and LAE	9,409,000	25,700,314	11,337,247	8,595,668	11,173,255
Ending Reserves	\$ 101,716,000	\$ 78,058,506	\$ 67,667,915	\$ 73,279,855	\$ 84,118,336

The 2009 ending reserves above include a gross bulk reserve of \$30,367,840. The bulk reserve is a contingency for adverse development on known cases, unreported cases and allocated loss adjustment expense including coverage dispute. The bulk reserve are derived by independent actuarial studies. The net reserves do not reflect the 1999 purchase of retroactive reinsurance which is reflected in the balance sheet and income statement.

Environmental

Direct

NOTES TO FINANCIAL STATEMENTS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Beginning Reserves	\$ 44,949,000	\$ 20,072,000	\$ 36,861,352	\$ 30,516,867	\$ 29,782,245
Incurred Loss and LAE	(13,563,000)	19,257,384	(1,102,870)	3,683,667	(18,416,294)
Calendar Year Pymnts for Loss and LAE	11,314,000	2,468,032	5,241,615	4,418,289	5,007,076
Ending Reserves	\$ 20,072,000	\$ 36,861,352	\$ 30,516,867	\$ 29,782,245	\$ 6,358,875

The 2009 ending reserves above include a gross bulk reserve of \$396,480. The bulk reserve is a contingency for adverse development on known cases, unreported cases and allocated loss adjustment expense including coverage dispute. The bulk reserve are derived by independent actuarial studies.

Assumed

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Beginning Reserves	\$ 23,062,000	\$ 16,891,000	\$ 13,726,720	\$ 6,825,428	\$ 6,318,579
Incurred Loss and LAE	(5,913,000)	(2,596,319)	(5,550,111)	(388,374)	5,296,986
Calendar Year Pymnts for Loss and LAE	258,000	567,961	1,351,181	118,475	3,566,085
Ending Reserves	\$ 16,891,000	\$ 13,726,720	\$ 6,825,428	\$ 6,318,579	\$ 8,049,480

The 2009 ending reserves above include a gross bulk reserve of \$3,388,000. The bulk reserve is a contingency for adverse development on known cases, unreported cases and allocated loss adjustment expense including coverage dispute. The bulk reserve are derived by independent actuarial studies.

Net of Reinsurance

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Beginning Reserves	\$ 41,974,000	\$ 18,424,000	\$ 27,248,955	\$ 14,728,579	\$ 14,394,466
Incurred Loss and LAE	(13,287,000)	9,694,208	(8,880,619)	611,404	5,555,769
Calendar Year Pymnts for Loss and LAE	10,263,000	869,253	3,639,757	945,517	7,029,648
Ending Reserves	\$ 18,424,000	\$ 27,248,955	\$ 14,728,579	\$ 14,394,466	\$ 12,920,587

The 2009 ending reserves above include a gross bulk reserve of \$2,798,160. The bulk reserve is a contingency for adverse development on known cases, unreported cases and allocated loss adjustment expense including coverage dispute. The bulk reserve are derived by independent actuarial studies. The net reserves to not reflect the 1999 purchase of retroactive reinsurance which is reflected in the balance sheet and income statement.

33. Subscriber Savings Account
Not Applicable

34. Multi Peril Crop
Not Applicable

35. Financial Guarantee Insurance
None

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes [X] No []
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X] No [] NA []
- 1.3

State Regulating?

Rhode Island
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]
- 2.2

If yes, date of change:
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2008
- 3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2004
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

05/17/2006
- 3.4

By what department or departments?

Rhode Island Department of Business Regulation
- 3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes [X] No [] NA []
- 3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [X] No [] NA []
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11

sales of new business?

Yes [] No [X]
- 4.12

renewals?

Yes [] No [X]
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21

sales of new business?

Yes [] No [X]
- 4.22

renewals?

Yes [] No [X]
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]
- 5.2

If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [X] No []
- 6.2

If yes, give full information see attached
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [X] No []
- 7.2

If yes,
- 7.21

State the percentage of foreign control

100.0
- 7.22

State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney - in - fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney - in - fact).

1 Nationality	2 Type of Entity
Bermuda 55.6%	Limited Partnership
Bermuda 44.4%	Corporation

GENERAL INTERROGATORIES

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [] No [X]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?.....

Yes [] No [X]
- 8.4

If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Deloitte & Touche LLP 333 Ludlow Street Stamford, CT 06902-6982
10.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?.....

Ernst and Young, LLP, Mr. John Dawson, 200 Clarendon Street, Boston, MA 02116-5072
- 11.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [] No [X]

11.11

Name of real estate holding company

11.12

Number of parcels involved.....

11.13

Total book/adjusted carrying value.....

\$.....
- 11.2

If yes, provide explanation
12.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 12.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [] No []
- 12.3

Have there been any changes made to any of the trust indentures during the year?

Yes [] No []
- 12.4

If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?

Yes [] No [] NA []
- 13.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [X] No []

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and

a. professional relationships;

b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c. Compliance with applicable governmental laws, rules and regulations;

d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e. Accountability for adherence to the code.
- 13.11

If the response to 13.1 is No, please explain:
- 13.2

Has the code of ethics for senior managers been amended?.....

Yes [] No [X]
- 13.21

If the response to 13.2 is Yes, provide information related to amendment(s).
- 13.3

Have any provisions of the code of ethics been waived for any of the specified officers?.....

Yes [] No [X]
- 13.31

If the response to 13.3 is Yes, provide the nature of any waiver(s).

BOARD OF DIRECTORS

14.

Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?

Yes [X] No []
15.

Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?

Yes [X] No []
16.

Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?.....

Yes [X] No []

GENERAL INTERROGATORIES
FINANCIAL

17. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes [] No [X]

18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

18.11 To directors or other officers

\$

18.12 To stockholders not officers

\$

18.13 Trustees, supreme or grand (Fraternal only)

\$

18.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

18.21 To directors or other officers

\$

18.22 To stockholders not officers

\$

18.23 Trustees, supreme or grand (Fraternal only)

\$

19.1 Were any assets reported in the statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes [] No [X]

19.2 If yes, state the amount thereof at December 31 of the current year:

19.21 Rented from others

\$

19.22 Borrowed from others

\$

19.23 Leased from others

\$

19.24 Other

\$

20.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes [] No [X]

20.2 If answer is yes:

20.21 Amount paid as losses or risk adjustment

\$

20.22 Amount paid as expenses

\$

20.23 Other amounts paid

\$

21.1 Does the reporting entity report any amounts due from the parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [X] No []

21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$290,000

INVESTMENT

22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 22.3).

Yes [X] No []

22.2 If no, give full and complete information relating thereto:

22.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 16 where this information is also provide)

22.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes [] No [] NA [X]

22.5 If answer to 22.4 is YES, report amount of collateral

\$

22.6 If answer to 22.4 is NO, report amount of collateral.

\$

23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1 and 22.3)

Yes [X] No []

23.2 If yes, state the amount thereof at December 31 of the current year:

23.21 Subject to repurchase agreements

\$

23.22 Subject to reverse repurchase agreements

\$

23.23 Subject to dollar repurchase agreements

\$

23.24 Subject to reverse dollar repurchase agreements

\$

23.25 Pledged as collateral

\$

23.26 Placed under option agreements

\$

23.27 Letter stock or securities restricted as to sale

\$

23.28 On deposit with state or other regulatory body

\$9,296,784

23.29 Other

\$

23.3 For category (23.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

24.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [] No [X]

24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.

Yes [] No [] NA []

25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [] No [X]

25.2 If yes, state the amount thereof at December 31 of the current year.

\$

GENERAL INTERROGATORIES

26. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

26.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Wachovia Bank.....	1525 West WT Harris Blvd Charlotte, NC 28288

26.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	2 Complete Explanation(s)
.....
.....

26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year? Yes [] No [X]

26.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....

26.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	2 Address
114949.....	Madison Scottsdale.....	8777 N. Gainey Center Dr, Ste 220 Scottsdale, AZ 85258.....

27.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?..... Yes [] No [X]

27.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....
.....
27.2999 TOTAL		0

27.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding Of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....
.....

GENERAL INTERROGATORIES

28. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-) or Fair Value over Statement (+)
28.1 Bonds.....	47,188,551	47,970,993	782,442
28.2 Preferred stocks.....	0		0
28.3 Totals	47,188,551	47,970,993	782,442

28.4 Describe the sources or methods utilized in determining the fair values:

SVO unit prices were used to determine FMV. For other Bonds and Stock not priced by SVO, the Company used price provided by interactive data and/or price provided by the custodian.

29.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?..... Yes [X] No []

29.2 If yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?..... Yes [X] No []

29.3 If no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

30.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? Yes [X] No []

30.2 If no, list exceptions:

OTHER

31.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?.....\$12,189

31.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
AIPSO.....	3,050

32.1 Amount of payments for legal expenses, if any?.....\$394,528

32.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
DLA Piper UK LLP.....	183,975
Hargraves McConnell & Costigan, P.C.....	141,316

33.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?.....\$

33.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	
.....	
.....	

Response to 6.2

Effective April 30, 2008 Missouri Department of Insurance suspended the Company's Certificate of Authority.

Effective May 29, 2008 Arkansas Insurance Department suspended the Company's Certificate of Authority due to domiciliary state placing company into administrative supervision.

Effective April 13, 2009 the Company surrendered its Certificate of authority for the State of Maine.

Effective April 20, 2009 the Commonwealth of Virginia suspended the Company's license.

Effective May 18, 2009 the company agreed to a two year suspension of its Certificate of Authority by the State of Tennessee.

GENERAL INTERROGATORIES

(continued)

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [] No [X]

1.2

If yes, indicate premium earned on U.S. business only.

\$0

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$

1.31

Reason for excluding

.....

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$0

1.62

Total incurred claims

\$0

1.63

Number of covered lives

.....0

All years prior to most current three years:

1.64

Total premium earned

\$0

1.65

Total incurred claims

\$0

1.66

Number of covered lives

.....0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$0

1.72

Total incurred claims

\$0

1.73

Number of covered lives

.....0

All years prior to most current three years:

1.74

Total premium earned

\$0

1.75

Total incurred claims

\$0

1.76

Number of covered lives

.....0

2.

Health Test:

1

Current Year

2.1

Premium Numerator

\$0

2.2

Premium Denominator

\$4,674

2.3

Premium Ratio (2.1/2.2)

.....0.000

2.4

Reserve Numerator

\$0

2.5

Reserve Denominator

\$165,079,616

2.6

Reserve Ratio (2.4/2.5)

.....0.000

2

Prior Year

2.1

Premium Numerator

\$0

2.2

Premium Denominator

\$(9,844)

2.3

Premium Ratio (2.1/2.2)

.....0.000

2.4

Reserve Numerator

\$0

2.5

Reserve Denominator

\$181,867,851

2.6

Reserve Ratio (2.4/2.5)

.....0.000

3.1

Does the reporting entity issue both participating and non-participating policies?

Yes [] No [X]

3.2

If yes, state the amount of calendar year premiums written on:

3.21

Participating policies.....

\$

3.22

Non-participating policies.....

\$

4.

For Mutual reporting entities and Reciprocal Exchanges only:

4.1

Does the reporting entity issue assessable policies?.....

Yes [] No []

4.2

Does the reporting entity issue non-assessable policies?.....

Yes [] No []

4.3

If assessable policies are issued, what is the extent of the contingent liability of the policyholders?.....

%

4.4

Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.....

\$

5.

For Reciprocal Exchanges Only:

5.1

Does the exchange appoint local agents?.....

Yes [] No []

5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation.....

Yes [] No [] NA []

5.22

As a direct expense of the exchange.....

Yes [] No [] NA []

5.3

What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

.....

5.4

Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?.....

Yes [] No []

5.5

If yes, give full information

.....

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

6.1

What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss:.....
The company is in run-off and has no inforce policies, therefore has no need for new reinsurance agreements.....

6.2

Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
Not Applicable.....

6.3

What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?.....
Not Applicable.....

6.4

Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?.....

6.5

If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss.
The Company is in run-off and has no need for catastrophic reinsurance protection.....

7.1

Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?.....

7.2

If yes, indicate the number of reinsurance contracts containing such provisions.....

7.3

If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?.....

8.1

Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?.....

8.2

If yes, give full information
The Company commuted ceded reinsurance treaty with eleven cedants. See list in note 22E.....

9.1

Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:

(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;

(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;

(c) Aggregate stop loss reinsurance coverage;

(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;

(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or

(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.....

9.2

Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling agreements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member, where:

(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or

(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.....

9.3

If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:

(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;

(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and

(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4

Except for transactions meeting the requirements of paragraph 32 of SSAP No. 62, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:

(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or

(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

9.5

If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6

The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:

(a) The entity does not utilize reinsurance; or,

(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or

(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.

10.

If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?

Yes

[

]

No

[

X

]

Yes

[

]

No

[

X

]

Yes

[

]

No

[

X

]

Yes

[

X

]

No

[

]

N/A

[

]

16.1

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

11.1

Has the reporting entity guaranteed policies issued by any other entity and now in force:

Yes

☐

No

☒

11.2

If yes, give full information

12.1

If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 13.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11

Unpaid losses

\$

12.12

Unpaid underwriting expenses (including loss adjustment expenses)

\$

12.2

Of the amount on Line 13.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?

\$

12.3

If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?

Yes

☐

No

☐

NA

☒

12.4

If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41

From

%

12.42

To

%

12.5

Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?

Yes

☐

No

☒

12.6

If yes, state the amount thereof at December 31 of the current year:

12.61

Letters of Credit

\$

12.62

Collateral and other funds

\$

13.1

Largest net aggregate amount insured in any one risk (excluding workers' compensation):

\$

13.2

Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?

Yes

☐

No

☒

13.3

State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.

14.1

Is the company a cedant in a multiple cedant reinsurance contract?

Yes

☐

No

☒

14.2

If yes, please describe the method of allocating and recording reinsurance among the cedants:

14.3

If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?

Yes

☐

No

☐

14.4

If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?

Yes

☐

No

☐

14.5

If answer to 14.4 is no, please explain:

15.1

Has the reporting entity guaranteed any financed premium accounts?

Yes

☐

No

☒

15.2

If yes, give full information

16.1

Does the reporting entity write any warranty business?

Yes

☐

No

☒

If yes, disclose the following information for each of the following types of warranty coverage:

	1	2	3	4	5
	Direct Losses Incurred	Direct Losses Unpaid	Direct Written Premium	Direct Premium Unearned	Direct Premium Earned
16.11 Home	\$	\$	\$	\$	\$
16.12 Products	\$	\$	\$	\$	\$
16.13 Automobile	\$	\$	\$	\$	\$
16.14 Other*	\$	\$	\$	\$	\$

* Disclose type of coverage:

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that it excludes from Schedule F – Part 5. Yes [] No [X]

Incurred but not reported losses on contracts not in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F – Part 5. Provide the following information for this exemption:

17.11	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5	\$.....
17.12	Unfunded portion of Interrogatory 17.11.....	\$.....
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$.....
17.14	Case reserves portion of Interrogatory 17.11.....	\$.....
17.15	Incurred but not reported portion of Interrogatory 17.11.....	\$.....
17.16	Unearned premium portion of Interrogatory 17.11.....	\$.....
17.17	Contingent commission portion of Interrogatory 17.11.....	\$.....

Provide the following information for all other amounts included in Schedule F – Part 3 and excluded from Schedule F – Part 5, not included above.

17.18	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5	\$.....
17.19	Unfunded portion of Interrogatory 17.18.....	\$.....
17.20	Paid losses and loss adjustment expenses portion of Interrogatory 17.18	\$.....
17.21	Case reserves portion of Interrogatory 17.18.....	\$.....
17.22	Incurred but not reported portion of Interrogatory 17.18.....	\$.....
17.23	Unearned premium portion of Interrogatory 17.18.....	\$.....
17.24	Contingent commission portion of Interrogatory 17.18.....	\$.....

18.1 Do you act as a custodian for health savings accounts?..... Yes [] No [X]

18.2 If yes, please provide the amount of custodial funds held as of the reporting date..... \$.....

18.3 Do you act as an administrator for health savings accounts?..... Yes [] No [X]

18.4 If yes, please provide the balance of the funds administered as of the reporting date..... \$.....

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2009	2 2008	3 2007	4 2006	5 2005
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	0	0	0	0	0
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	4,674	(9,844)	906	14,416	1,544
6. Total (Line 35)	4,674	(9,844)	906	14,416	1,544
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	0	0	0	0	0
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	4,674	(9,844)	906	13,815	753
12. Total (Line 35)	4,674	(9,844)	906	13,815	753
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(4,136,151)	(23,199,224)	(13,840,220)	(15,944,016)	(36,018,155)
14. Net investment gain (loss) (Line 11)	1,613,135	2,227,232	2,419,811	2,513,014	2,456,861
15. Total other income (Line 15)	(27,005)	6,777	6,367,017	13,618,453	34,954,394
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	(1,077,949)	356,191	0	0	(627,862)
18. Net income (Line 20)	(1,472,072)	(21,321,407)	(5,053,392)	187,451	2,020,962
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 24, Col. 3)	83,703,701	77,061,627	77,466,694	79,479,626	65,191,822
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 13.1)	0	0	0	0	0
20.2 Deferred and not yet due (Line 13.2)	0	0	0	0	0
20.3 Accrued retrospective premiums (Line 13.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 24)	77,690,135	73,732,886	52,362,146	39,449,177	25,044,861
22. Losses (Page 3, Line 1)	135,234,583	137,865,041	166,062,120	188,361,874	210,092,258
23. Loss adjustment expenses (Page 3, Line 3)	23,117,893	28,224,079	30,800,883	28,308,732	34,237,572
24. Unearned premiums (Page 3, Line 9)	0	0	0	0	0
25. Capital paid up (Page 3, Lines 28 & 29)	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
26. Surplus as regards policyholders (Page 3, Line 35)	6,013,564	3,328,744	25,104,546	40,030,452	40,146,962
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	(16,466,399)	(45,459,094)	(29,612,135)	(50,809,870)	(23,657,067)
Risk-Based Capital Analysis					
28. Total adjusted capital	6,013,564	3,328,744	25,104,546	40,030,452	40,146,962
29. Authorized control level risk-based capital	31,152,621	33,695,139	33,214,535	35,957,817	40,363,130
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3)(Item divided by Page 2, Line 10, Col. 3) x 100.0					
30. Bonds (Line 1)	62.8	81.5	73.7	68.1	88.5
31. Stocks (Lines 2.1 & 2.2)	0.0	0.0	0.0	0.0	0.0
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5)	37.2	18.4	26.3	31.9	11.5
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Other invested assets (Line 7)	0.0	0.0	0.0	0.0	0.0
37. Receivables for securities (Line 8)	0.0	0.0	0.0	0.0	0.0
38. Aggregate write-ins for invested assets (Line 9)	0.0	0.0	0.0	0.0	0.0
39. Cash, cash equivalents and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
40. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)	0	0	0	0	0
41. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)	0	0	0	0	0
42. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	0	0	0	0	0
43. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
44. Affiliated mortgage loans on real estate	0	0	0	0	0
45. All other affiliated	0	0	0	0	0
46. Total of above Lines 40 to 45	0	0	0	0	0
47. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 46 above divided by Page 3, Col. 1, Line 35 x 100.0)	0.0	0.0	0.0	0.0	0.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2009	2 2008	3 2007	4 2006	5 2005
Capital and Surplus Accounts (Page 4)					
48. Net unrealized capital gains (losses) (Line 24)	(155,922)	5,821	(304)	139,766	(120,763)
49. Dividends to stockholders (Line 35)	0	0	0	0	0
50. Change in surplus as regards policyholders for the year (Line 38)	2,684,819	(21,775,803)	(14,925,906)	(116,511)	(15,594,849)
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
51. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	8,454,373	12,450,010	14,542,289	38,027,660	17,635,407
52. Property lines (Lines 1, 2, 9, 12, 21 & 26)	(1,454)	(6,549)	(7,323)	(5,897)	(11,450)
53. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	798,534	(1,860,791)	633,004	302,557	141,947
54. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	(22)	(36)	(68)	0	0
55. Nonproportional reinsurance lines (Lines 31, 32 & 33)	46,061,153	40,286,609	21,405,727	13,174,194	16,990,564
56. Total (Line 35)	55,312,584	50,869,243	36,573,629	51,498,514	34,756,468
Net Losses Paid (Page 9, Part 2, Col. 4)					
57. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	(33,980,176)	7,293,113	8,127,902	14,247,011	7,399,795
58. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
59. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
60. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
61. Nonproportional reinsurance lines (Lines 31, 32 & 33)	34,135,285	35,938,642	17,640,411	10,871,514	14,229,608
62. Total (Line 35)	155,108	43,231,756	25,768,313	25,118,525	21,629,403
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
63. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
64. Losses incurred (Line 2)	(52,962.3)	(152,729.3)	382,746.0	62,824.1	4,497,483.8
65. Loss expenses incurred (Line 3)	117,310.9	(59,671.3)	886,330.7	42,193.4	212,703.2
66. Other underwriting expenses incurred (Line 4)	24,247.9	(23,168.0)	258,253.8	10,489.9	75,488.4
67. Net underwriting gain (loss) (Line 8)	(88,496.5)	235,668.7	(1,527,230.4)	(115,407.5)	(4,785,575.4)
Other Percentages					
68. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	24,825.7	(23,099.2)	(444,329.1)	(88,084.4)	(4,568,749.7)
69. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	64,348.7	(212,400.7)	1,269,076.7	105,017.6	4,710,187.0
70. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 35, Col. 1 x 100.0)	0.1	(0.3)	0.0	0.0	0.0
One Year Loss Development (000 omitted)					
71. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Col. 11)	2,632	18,700	9,319	13,725	35,451
72. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 71 above divided by Page 4, Line 21, Col. 1 x 100.0)	79.1	74.5	23.3	34.2	63.6
Two Year Loss Development (000 omitted)					
73. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	21,331	28,018	23,044	49,175	64,969
74. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 73 above divided by Page 4, Line 21, Col. 2 x 100.0)	85.0	70.0	57.4	88.2	120.8

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [] No []

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES
SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported - Direct and Assumed
	Direct and Assumed	Ceded	Net (Cols. 1 - 2)	4	5	6	7	8	9	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
				Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1. Prior	xxx	xxx	xxx	55,313	55,157	7,696	(1,193)	1,700	0	0	10,744	xxx
2. 2000	3	(1)	4	0	0	0	0	0	0	0	0	xxx
3. 2001	11	1	10	0	0	0	0	0	0	0	0	xxx
4. 2002	37	1	36	0	0	0	0	0	0	0	0	xxx
5. 2003	3	1	2	0	0	0	0	0	0	0	0	xxx
6. 2004	30	2	28	0	0	0	0	0	0	0	0	xxx
7. 2005	2	1	1	0	0	0	0	0	0	0	0	xxx
8. 2006	14	1	14	0	0	0	0	0	0	0	0	xxx
9. 2007	1	0	1	0	0	0	0	0	0	0	0	xxx
10. 2008	(10)	0	(10)	0	0	0	0	0	0	0	0	xxx
11. 2009	5	0	5	0	0	0	0	0	0	0	0	xxx
12. Totals	xxx	xxx	xxx	55,313	55,157	7,696	(1,193)	1,700	0	0	10,744	xxx

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1.	130,085	52,772	109,607	51,687	12,974	314	1,842	1,130	10,719	973	0	158,352	xxx
2.	0	0	0	0	0	0	0	0	0	0	0	0	xxx
3.	0	0	0	0	0	0	0	0	0	0	0	0	xxx
4.	0	0	0	0	0	0	0	0	0	0	0	0	xxx
5.	0	0	0	0	0	0	0	0	0	0	0	0	xxx
6.	0	0	0	0	0	0	0	0	0	0	0	0	xxx
7.	0	0	0	0	0	0	0	0	0	0	0	0	xxx
8.	0	0	0	0	0	0	0	0	0	0	0	0	xxx
9.	0	0	0	0	0	0	0	0	0	0	0	0	xxx
10.	0	0	0	0	0	0	0	0	0	0	0	0	xxx
11.	0	0	0	0	0	0	0	0	0	0	0	0	xxx
12. Totals	130,085	52,772	109,607	51,687	12,974	314	1,842	1,130	10,719	973	0	158,352	xxx

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter- Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1.	xxx	xxx	xxx	xxx	xxx	xxx	0	0	xxx	135,235	23,118
2.	0	0	0	0.0	0.0	0.0	0	0		0	0
3.	0	0	0	0.0	0.0	0.0	0	0		0	0
4.	0	0	0	0.0	0.0	0.0	0	0		0	0
5.	0	0	0	0.0	0.0	0.0	0	0		0	0
6.	0	0	0	0.0	0.0	0.0	0	0		0	0
7.	0	0	0	0.0	0.0	0.0	0	0		0	0
8.	0	0	0	0.0	0.0	0.0	0	0		0	0
9.	0	0	0	0.0	0.0	0.0	0	0		0	0
10.	0	0	0	0.0	0.0	0.0	0	0		0	0
11.	0	0	0	2.7	0.0	0.0	0	0		0	0
12. Totals	xxx	xxx	xxx	xxx	xxx	xxx	0	0	xxx	135,235	23,118

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	One Year	Two Year
1. Prior	162,458	169,825	202,527	242,088	271,606	307,056	320,781	330,100	348,799	351,431	2,632	21,331
2. 2000	0	0	0	0	0	0	0	0	0	0	0	0
3. 2001	XXX	0	0	0	0	0	0	0	0	0	0	0
4. 2002	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 2003	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0
6. 2004	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0	0
7. 2005	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 2006	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											2,632	21,331

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		
1. Prior	000	15,552	28,082	42,018	58,028	83,018	117,723	145,519	193,780	202,825	XXX	XXX
2. 2000	0	0	0	0	0	0	0	0	0	0	XXX	XXX
3. 2001	XXX	0	0	0	0	0	0	0	0	0	XXX	XXX
4. 2002	XXX	XXX	0	0	0	0	0	0	0	0	XXX	XXX
5. 2003	XXX	XXX	XXX	0	0	0	0	0	0	0	XXX	XXX
6. 2004	XXX	XXX	XXX	XXX	0	0	0	0	0	0	XXX	XXX
7. 2005	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	XXX	XXX
8. 2006	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	XXX	XXX
9. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX	XXX
10. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	XXX
11. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009
1. Prior	67,835	64,954	83,329	91,501	98,794	112,845	92,988	78,288	63,990	58,633
2. 2000	0	0	0	0	0	0	0	0	0	0
3. 2001	XXX	0	0	0	0	0	0	0	0	0
4. 2002	XXX	XXX	0	0	0	0	0	0	0	0
5. 2003	XXX	XXX	XXX	0	0	0	0	0	0	0
6. 2004	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 2005	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2006	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

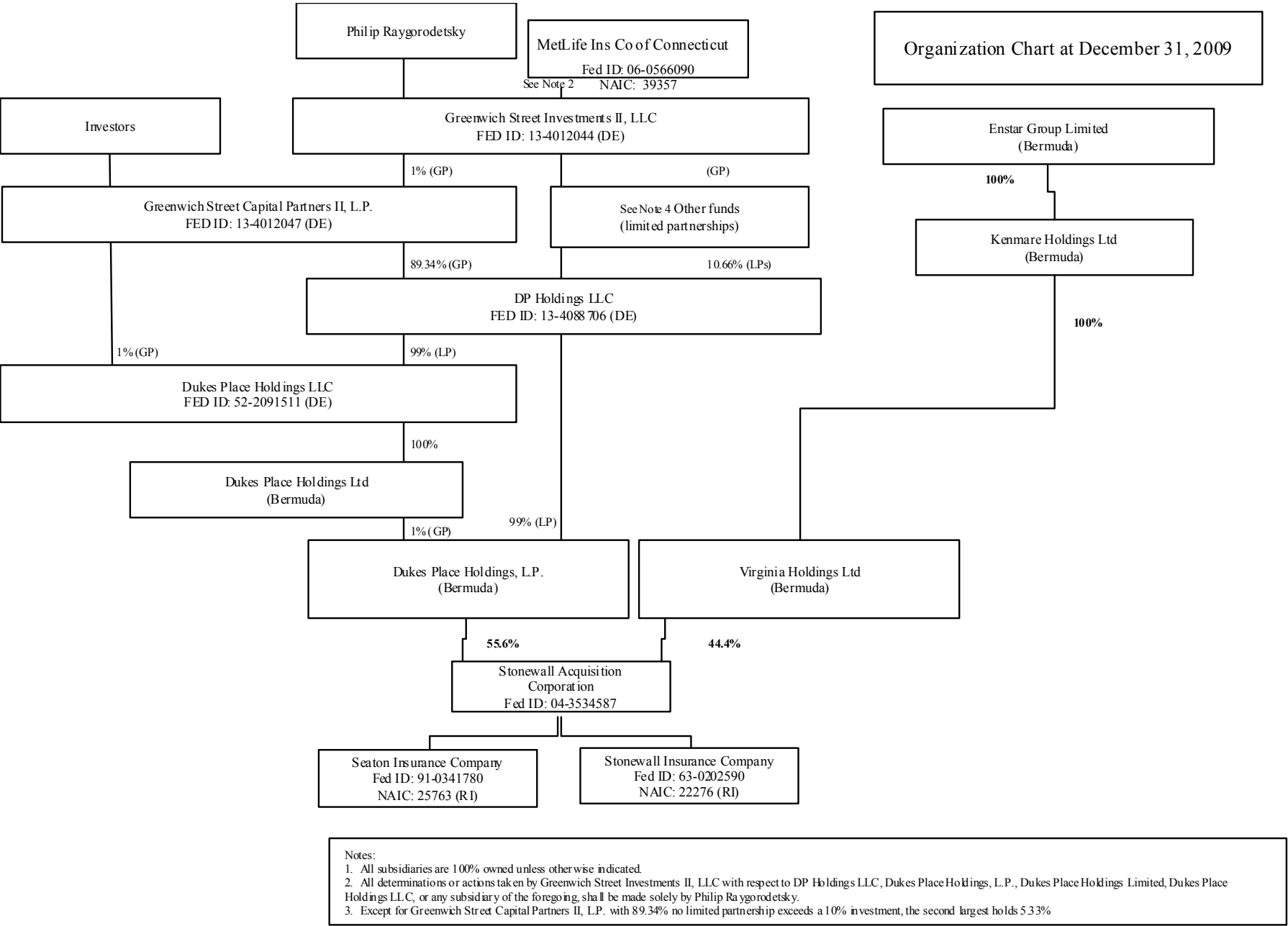
Allocated by States and Territories									
States, etc.	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		2	3						
	Active Status	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
1. Alabama	AL	N	.0	.0	.0	(3,130)	19,753	.0	
2. Alaska	AK	N	.0	.0	.0	.0	.0	.0	
3. Arizona	AZ	L	.0	.0	1,038,361	(1,911,810)	3,028,816	.0	
4. Arkansas	AR	L	.0	.0	.0	25,656	25,656	.0	
5. California	CA	L	.0	.0	1,013,915	2,138,113	35,615,345	.0	
6. Colorado	CO	L	.0	.0	.0	(23,866)	164,625	.0	
7. Connecticut	CT	L	.0	.0	37,769	(46,024)	397,119	.0	
8. Delaware	DE	L	.0	.0	.0	.0	.0	.0	
9. District of Columbia	DC	L	.0	.0	24,297	92,753	92,826	.0	
10. Florida	FL	N	.0	.0	1,859	(517,984)	3,751,178	.0	
11. Georgia	GA	N	.0	.0	.0	.0	.0	.0	
12. Hawaii	HI	N	.0	.0	.0	275	275	.0	
13. Idaho	ID	L	.0	.0	.0	(94,800)	35,195	.0	
14. Illinois	IL	L	.0	.0	729,019	(3,733,926)	19,987,442	.0	
15. Indiana	IN	L	.0	.0	725,000	(445,189)	.0	.0	
16. Iowa	IA	N	.0	.0	.0	.0	.0	.0	
17. Kansas	KS	L	.0	.0	.0	.0	.0	.0	
18. Kentucky	KY	N	.0	.0	.0	.0	.0	.0	
19. Louisiana	LA	N	.0	.0	.0	.0	.0	.0	
20. Maine	ME	N	.0	.0	3,011	14,512	26,916	.0	
21. Maryland	MD	L	.0	.0	514	(4,610)	3,384	.0	
22. Massachusetts	MA	L	.0	.0	.0	.0	.0	.0	
23. Michigan	MI	L	.0	.0	.0	(737,215)	5,342,045	.0	
24. Minnesota	MN	L	.0	.0	.0	(107,703)	2,811,456	.0	
25. Mississippi	MS	N	.0	.0	.0	.0	.0	.0	
26. Missouri	MO	L	.0	.0	.0	.0	.0	.0	
27. Montana	MT	L	.0	.0	.0	(140)	4,581	.0	
28. Nebraska	NE	N	.0	.0	.0	.0	.0	.0	
29. Nevada	NV	N	.0	.0	.0	.0	.0	.0	
30. New Hampshire	NH	L	.0	.0	.0	.0	.0	.0	
31. New Jersey	NJ	N	.0	.0	73,296	(166,325)	611,063	.0	
32. New Mexico	NM	N	.0	.0	.0	.0	.0	.0	
33. New York	NY	L	.0	.0	282,033	(10,708)	4,256,917	.0	
34. North Carolina	NC	L	.0	.0	(825)	(825)	.0	.0	
35. North Dakota	ND	N	.0	.0	.0	.0	.0	.0	
36. Ohio	OH	L	.0	.0	.0	(130,467)	.0	.0	
37. Oklahoma	OK	L	.0	.0	.0	.0	.0	.0	
38. Oregon	OR	L	.0	.0	199,183	911,473	1,724,458	.0	
39. Pennsylvania	PA	L	.0	.0	13,678	(3,558,687)	26,425,328	.0	
40. Rhode Island	RI	L	.0	.0	.0	.0	.0	.0	
41. South Carolina	SC	N	.0	.0	.0	.0	.0	.0	
42. South Dakota	SD	N	.0	.0	.0	.0	.0	.0	
43. Tennessee	TN	L	.0	.0	.0	.0	.0	.0	
44. Texas	TX	L	.0	.0	3,422,348	(1,825,083)	716,491	.0	
45. Utah	UT	L	.0	.0	559	(68,968)	325,532	.0	
46. Vermont	VT	N	.0	.0	.0	(17,518)	.0	.0	
47. Virginia	VA	L	.0	.0	.0	.0	.0	.0	
48. Washington	WA	L	.0	.0	1,687,415	126,148	10,055,271	.0	
49. West Virginia	WV	N	.0	.0	.0	.0	.0	.0	
50. Wisconsin	WI	L	.0	.0	.0	(849,733)	6,157,379	.0	
51. Wyoming	WY	N	.0	.0	.0	.0	.0	.0	
52. American Samoa	AS	N	.0	.0	.0	.0	.0	.0	
53. Guam	GU	Q	.0	.0	.0	.0	.0	.0	
54. Puerto Rico	PR	N	.0	.0	.0	.0	.0	.0	
55. U.S. Virgin Islands	VI	N	.0	.0	.0	.0	.0	.0	
56. Northern Mariana Islands	MP	N	.0	.0	.0	.0	.0	.0	
57. Canada	CN	L	.0	.0	.0	.0	.0	.0	
58. Aggregate other alien	OT	XXX	.0	.0	.0	.0	.0	.0	.0
59. Totals	(a) 31		.0	.0	9,251,432	(10,945,780)	121,579,053	.0	.0
DETAILS OF WRITE-INS									
5801.	XXX								
5802.	XXX								
5803.	XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	.0	.0	.0	.0	.0	.0	.0	.0
5899. Totals (Lines 5801 through 5803 + 5898) (Line 58 above)	XXX	.0	.0	.0	.0	.0	.0	.0	.0

Explanation of basis of allocation of premiums by states, etc.

(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

Assets	2
Cash Flow	5
Exhibit of Capital Gains (Losses)	12
Exhibit of Net Investment Income	12
Exhibit of Nonadmitted Assets	13
Exhibit of Premiums and Losses (State Page)	19
Five-Year Historical Data	17
General Interrogatories	15
Jurat Page	1
Liabilities, Surplus and Other Funds	3
Notes To Financial Statements	14
Overflow Page For Write-ins	97
Schedule A – Part 1	E01
Schedule A – Part 2	E02
Schedule A – Part 3	E03
Schedule A – Verification Between Years	SI02
Schedule B – Part 1	E04
Schedule B – Part 2	E05
Schedule B – Part 3	E06
Schedule B – Verification Between Years	SI02
Schedule BA – Part 1	E07
Schedule BA – Part 2	E08
Schedule BA – Part 3	E09
Schedule BA – Verification Between Years	SI03
Schedule D – Part 1	E10
Schedule D – Part 1A – Section 1	SI05
Schedule D – Part 1A – Section 2	SI08
Schedule D – Part 2 – Section 1	E11
Schedule D – Part 2 – Section 2	E12
Schedule D – Part 3	E13
Schedule D – Part 4	E14
Schedule D – Part 5	E15
Schedule D – Part 6 – Section 1	E16
Schedule D – Part 6 – Section 2	E16
Schedule D – Summary By Country	SI04
Schedule D – Verification Between Years	SI03
Schedule DA – Part 1	E17

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

Schedule DA – Verification Between Years	SI11
Schedule DB – Part A – Section 1	E18
Schedule DB – Part A – Section 2	E18
Schedule DB – Part A – Section 3	E19
Schedule DB – Part A – Verification Between Years	SI12
Schedule DB – Part B – Section 1	E19
Schedule DB – Part B – Section 2	E20
Schedule DB – Part B – Section 3	E20
Schedule DB – Part B – Verification Between Years	SI12
Schedule DB – Part C – Section 1	E21
Schedule DB – Part C – Section 2	E21
Schedule DB – Part C – Section 3	E22
Schedule DB – Part C – Verification Between Years	SI13
Schedule DB – Part D – Section 1	E22
Schedule DB – Part D – Section 2	E23
Schedule DB – Part D – Section 3	E23
Schedule DB – Part D – Verification Between Years	SI13
Schedule DB – Part E – Section 1	E24
Schedule DB – Part E – Verification	SI13
Schedule DB – Part F – Section 1	SI14
Schedule DB – Part F – Section 2	SI15
Schedule E – Part 1 – Cash	E25
Schedule E – Part 2 – Cash Equivalents	E26
Schedule E – Part 3 – Special Deposits	E27
Schedule E – Verification Between Years	SI16
Schedule F – Part 1	20
Schedule F – Part 2	21
Schedule F – Part 3	22
Schedule F – Part 4	23
Schedule F – Part 5	24
Schedule F – Part 6	25
Schedule F – Part 7	26
Schedule F – Part 8	27
Schedule H – Accident and Health Exhibit – Part 1	28
Schedule H – Parts – 2, 3, and 4	29
Schedule H – Part 5 – Health Claims	30
Schedule P – Part 1 – Analysis of Losses and Loss Expenses	31
Schedule P – Part 1A – Homeowners/Farmowners	33
Schedule P – Part 1B – Private Passenger Auto Liability/Medical	34
Schedule P – Part 1C – Commercial Auto/Truck Liability/Medical	35
Schedule P – Part 1D – Workers’ Compensation	36

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

Schedule P – Part 1E – Commercial Multiple Peril	37
Schedule P – Part 1F – Section 1 – Medical Professional Liability – Occurrence	38
Schedule P – Part 1F – Section 2 – Medical Professional Liability – Claims-Made	39
Schedule P – Part 1G - Special Liability (Ocean, Marine, Aircraft (All Perils), Boiler and Machinery)	40
Schedule P – Part 1H – Section 1 – Other Liability–Occurrence	41
Schedule P – Part 1H – Section 2 – Other Liability – Claims-Made	42
Schedule P – Part 1I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft)	43
Schedule P – Part 1J – Auto Physical Damage	44
Schedule P – Part 1K – Fidelity/Surety	45
Schedule P – Part 1L – Other (Including Credit, Accident and Health)	46
Schedule P – Part 1M – International	47
Schedule P – Part 1N – Reinsurance	48
Schedule P – Part 1O – Reinsurance	49
Schedule P – Part 1P – Reinsurance	50
Schedule P – Part 1R – Section 1 – Products Liability – Occurrence	51
Schedule P – Part 1R – Section 2 – Products Liability – Claims – Made	52
Schedule P – Part 1S – Financial Guaranty/Mortgage Guaranty	53
Schedule P – Part 1T – Warranty	54
Schedule P – Part 2, Part 3 and Part 4 - Summary	32
Schedule P – Part 2A – Homeowners/Farmowners	55
Schedule P – Part 2B – Private Passenger Auto Liability/Medical	55
Schedule P – Part 2C – Commercial Auto/Truck Liability/Medical	55
Schedule P – Part 2D – Workers’ Compensation	55
Schedule P – Part 2E – Commercial Multiple Peril	55
Schedule P – Part 2F – Section 1 – Medical Professional Liability – Occurrence	56
Schedule P – Part 2F – Section 2 – Medical Professional Liability – Claims – Made	56
Schedule P – Part 2G – Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	56
Schedule P – Part 2H – Section 1 – Other Liability – Occurrence	56
Schedule P – Part 2H – Section 2 – Other Liability – Claims – Made	56
Schedule P – Part 2I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft)	57
Schedule P – Part 2J – Auto Physical Damage	57
Schedule P – Part 2K – Fidelity, Surety	57
Schedule P – Part 2L – Other (Including Credit, Accident and Health)	57
Schedule P – Part 2M – International	57
Schedule P – Part 2N – Reinsurance	58
Schedule P – Part 2O – Reinsurance	58
Schedule P – Part 2P – Reinsurance	58
Schedule P – Part 2R – Section 1 – Products Liability – Occurrence	59
Schedule P – Part 2R – Section 2 – Products Liability – Claims-Made	59
Schedule P – Part 2S – Financial Guaranty/Mortgage Guaranty	59
Schedule P – Part 2T – Warranty	59
Schedule P – Part 3A – Homeowners/Farmowners	60

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

Schedule P – Part 3B – Private Passenger Auto Liability/Medical	60
Schedule P – Part 3C – Commercial Auto/Truck Liability/Medical	60
Schedule P – Part 3D – Workers’ Compensation	60
Schedule P – Part 3E – Commercial Multiple Peril	60
Schedule P – Part 3F – Section 1 – Medical Professional Liability – Occurrence	61
Schedule P – Part 3F – Section 2 – Medical Professional Liability – Claims-Made	61
Schedule P – Part 3G – Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	61
Schedule P – Part 3H – Section 1 – Other Liability – Occurrence	61
Schedule P – Part 3H – Section 2 – Other Liability – Claims-Made	61
Schedule P – Part 3I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft)	62
Schedule P – Part 3J – Auto Physical Damage	62
Schedule P – Part 3K – Fidelity/Surety	62
Schedule P – Part 3L – Other (Including Credit, Accident and Health)	62
Schedule P – Part 3M – International	62
Schedule P – Part 3N – Reinsurance	63
Schedule P – Part 3O – Reinsurance	63
Schedule P – Part 3P – Reinsurance	63
Schedule P – Part 3R – Section 1 – Products Liability – Occurrence	64
Schedule P – Part 3R – Section 2 – Products Liability – Claims-Made	64
Schedule P – Part 3S – Financial Guaranty/Mortgage Guaranty	64
Schedule P – Part 3T – Warranty	64
Schedule P – Part 4A – Homeowners/Farmowners	65
Schedule P – Part 4B – Private Passenger Auto Liability/Medical	65
Schedule P – Part 4C – Commercial Auto/Truck Liability/Medical	65
Schedule P – Part 4D – Workers’ Compensation	65
Schedule P – Part 4E – Commercial Multiple Peril	65
Schedule P – Part 4F – Section 1 – Medical Professional Liability – Occurrence	66
Schedule P – Part 4F – Section 2 – Medical Professional Liability – Claims-Made	66
Schedule P – Part 4G – Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	66
Schedule P – Part 4H – Section 1 – Other Liability – Occurrence	66
Schedule P – Part 4H – Section 2 – Other Liability – Claims-Made	66
Schedule P – Part 4I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft)	67
Schedule P – Part 4J – Auto Physical Damage	67
Schedule P – Part 4K – Fidelity/Surety	67
Schedule P – Part 4L – Other (Including Credit, Accident and Health)	67
Schedule P – Part 4M – International	67
Schedule P – Part 4N – Reinsurance	68
Schedule P – Part 4O – Reinsurance	68
Schedule P – Part 4P – Reinsurance	68
Schedule P – Part 4R – Section 1 – Products Liability – Occurrence	69
Schedule P – Part 4R – Section 2 – Products Liability – Claims-Made	69

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

Schedule P – Part 4S – Financial Guaranty/Mortgage Guaranty	69
Schedule P – Part 4T – Warranty	69
Schedule P – Part 5A – Homeowners/Farmowners	70
Schedule P – Part 5B – Private Passenger Auto Liability/Medical	71
Schedule P – Part 5C – Commercial Auto/Truck Liability/Medical	72
Schedule P – Part 5D – Workers’ Compensation	73
Schedule P – Part 5E – Commercial Multiple Peril	74
Schedule P – Part 5F – Medical Professional Liability – Claims-Made	76
Schedule P – Part 5F – Medical Professional Liability – Occurrence	75
Schedule P – Part 5H – Other Liability – Claims-Made	78
Schedule P – Part 5H – Other Liability – Occurrence	77
Schedule P – Part 5R – Products Liability – Claims-Made	80
Schedule P – Part 5R – Products Liability – Occurrence	79
Schedule P – Part 5T – Warranty	81
Schedule P – Part 6C – Commercial Auto/Truck Liability/Medical	82
Schedule P – Part 6D – Workers’ Compensation	82
Schedule P – Part 6E – Commercial Multiple Peril	83
Schedule P – Part 6H – Other Liability – Claims-Made	84
Schedule P – Part 6H – Other Liability – Occurrence	83
Schedule P – Part 6M – International	84
Schedule P – Part 6N – Reinsurance	85
Schedule P – Part 6O – Reinsurance	85
Schedule P – Part 6R – Products Liability – Claims-Made	86
Schedule P – Part 6R – Products Liability – Occurrence	86
Schedule P – Part 7A – Primary Loss Sensitive Contracts	87
Schedule P – Part 7B – Reinsurance Loss Sensitive Contracts	89
Schedule P Interrogatories	91
Schedule T – Exhibit of Premiums Written	92
Schedule T – Part 2 – Interstate Compact	93
Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group	94
Schedule Y – Part 2 – Summary of Insurer’s Transactions With Any Affiliates	95
Statement of Income	4
Summary Investment Schedule	SI01
Supplemental Exhibits and Schedules Interrogatories	96
Underwriting and Investment Exhibit Part 1	6
Underwriting and Investment Exhibit Part 1A	7
Underwriting and Investment Exhibit Part 1B	8
Underwriting and Investment Exhibit Part 2	9
Underwriting and Investment Exhibit Part 2A	10
Underwriting and Investment Exhibit Part 3	11

